

**The Haven, Inc.**

Financial Statements  
and Independent Auditor's Report  
June 30, 2003

**The Haven, Inc.**

Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2003

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**Martin  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Haven, Inc. as of June 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated September 25, 2003, on our consideration of The Haven, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



September 25, 2003

## **FINANCIAL STATEMENTS SECTION**

**The Haven, Inc.**

Statement of Financial Position  
June 30, 2003

**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 54,203
Unconditional promises to give:	
Corporate grants	41,028
Government grants	56,078
Total current assets	<u>151,309</u>

Property and equipment, less accumulated depreciation of \$51,661	<u>225,694</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 377,003</u></u>
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**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$ 2,711
Accrued expenses	6,617
Capital lease payable, current portion	1,884
Notes payable, current portion	5,735
Total current liabilities	<u>16,947</u>

Capital lease payable, net of current maturities	11,106
Notes payable, net of current maturities	<u>79,060</u>
Total liabilities	<u>107,113</u>

Net Assets:

Unrestricted	228,862
Temporarily restricted	41,028
Total net assets	<u>269,890</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 377,003</u></u>
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See accompanying notes to financial statements.

**The Haven, Inc.**

Statement of Activities  
Year Ended June 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, OTHER SUPPORT, AND RECLASSIFICATION</b>			
Grants:			
Government	\$ 256,856	\$ -	\$ 256,856
Corporate	-	63,140	63,140
Contributions	75,118	-	75,118
Fundraising	50,860	-	50,860
In-kind contributions	7,755	-	7,755
Miscellaneous income	4,946	-	4,946
Investment income	14	-	14
Loss on disposal of property and equipment	(1,594)	-	(1,594)
Net assets released from restrictions	59,096	(59,096)	-
<b>TOTAL REVENUES, OTHER SUPPORT, AND RECLASSIFICATION</b>	<u>453,051</u>	<u>4,044</u>	<u>457,095</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services			
Domestic violence	248,040	-	248,040
Sexual assault	105,037	-	105,037
Management and general	68,195	-	68,195
Fundraising	4,819	-	4,819
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>426,091</u>	<u>-</u>	<u>426,091</u>
<b>INCREASE IN NET ASSETS</b>	26,960	4,044	31,004
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>201,902</u>	<u>36,984</u>	<u>238,886</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>\$ 228,862</u>	<u>\$ 41,028</u>	<u>\$ 269,890</u>

See accompanying notes to financial statements.

# The Haven, Inc.

## Statement of Functional Expenses Year Ended June 30, 2003

	Program Services		Fundraising	Management and General	Total
	Sexual Assault	Domestic Violence			
Salaries	\$ 70,568	\$ 156,044	\$ -	\$ 30,901	\$ 257,513
Payroll taxes	6,638	14,677	-	2,907	24,222
Professional fees	-	-	-	16,945	16,945
Insurance	3,667	8,109	-	1,606	13,382
Depreciation	3,460	7,650	-	1,515	12,625
Workers' compensation insurance	3,397	7,512	-	1,488	12,397
Health insurance	3,044	6,731	-	1,333	11,108
Repairs and maintenance	2,536	5,609	-	1,111	9,256
Utilities	2,462	5,443	-	1,078	8,983
Food and house supplies	765	6,884	-	-	7,649
Client assistance	-	7,133	-	-	7,133
Telephone	1,695	3,747	-	742	6,184
Interest	1,474	3,259	-	645	5,378
Accounting fees	-	-	-	5,053	5,053
Fundraising	-	-	4,819	-	4,819
Educational material	-	3,457	-	-	3,457
Printing and publications material	931	2,059	-	408	3,398
Travel and meals	804	1,779	-	352	2,935
Office supplies	743	1,642	-	325	2,710
Seminars and conferences	733	1,620	-	321	2,674
Dues and subscriptions	581	1,284	-	254	2,119
Postage	464	1,026	-	203	1,693
Rent	384	848	-	168	1,400
Bank charges	191	423	-	84	698
Community education	201	444	-	-	645
Meetings	-	-	-	625	625
Advertising	143	316	-	63	522
Miscellaneous	105	231	-	46	382
Property taxes	51	113	-	22	186
Total	<u>\$ 105,037</u>	<u>\$ 248,040</u>	<u>\$ 4,819</u>	<u>\$ 68,195</u>	<u>\$ 426,091</u>

See accompanying notes to financial statements.

**The Haven, Inc.**

**Statement of Cash Flows  
Year Ended June 30, 2003**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in net assets	\$ 31,004
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	12,625
Loss on disposal of property and equipment	1,594
Decrease in operating assets:	
Unconditional promises to give	22,549
Increase/(decrease) in operating liabilities:	
Accounts payable	(4,205)
Accrued expenses	1,926

<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<u>65,493</u>
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**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchases of property and equipment	<u>(90,699)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from capital lease payable	12,990
Principal payments of capital lease payable	(1,584)
Proceeds from note payable	63,162
Principal payments of notes payable	<u>(5,032)</u>

<b>NET CASH FLOWS PROVIDED BY IN FINANCING ACTIVITIES</b>	<u>69,536</u>
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<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	44,330
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<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>9,873</u>
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<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 54,203</u>
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**SUPPLEMENTAL INFORMATION:**

Cash paid during the year for interest	<u>\$ 5,378</u>
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See accompanying notes to financial statements.



# **The Haven, Inc.**

## **Notes to Financial Statements As of and for the Year Ended June 30, 2003**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. NATURE OF THE ORGANIZATION**

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and interpersonal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

#### **B. BASIS OF ACCOUNTING**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **C. PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made.

#### **D. PROPERTY AND EQUIPMENT**

Property and equipment of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$200 and if they have a useful life of at least one year. Depreciation of all exhaustible property and equipment is calculated using the straight-line method, and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation.

# **The Haven, Inc.**

## **Notes to Financial Statements As of and for the Year Ended June 30, 2003**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

#### **E. FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **F. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **G. CASH AND CASH EQUIVALENTS**

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

#### **H. INCOME TAXES**

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advance letter ruling exempting the Organization from income taxes. (See Note 2.)

### **NOTE 2 – INCOME TAXES**

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advance letter ruling from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2003

**NOTE 3 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following:

Government grants/

Office of the Governor/Office of Women's Services	\$ 19,342
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Louisiana Commission on Law Enforcement and Administration of Criminal Justice/	
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Rape Prevention Education	18,752
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Domestic Violence Program	11,342
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Sexual Assault Program	3,869
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Child Sexual Abuse Counseling	2,773
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	<u>\$ 56,078</u>
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Corporate grants/

United Way for South Louisiana	\$ 37,458
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IOLTA	3,570
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	<u>\$ 41,028</u>
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All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amounts due from United Way for South Louisiana and IOLTA represent the Organization's allocation for the remainder of calendar year 2003.

The unconditional promises to give from the United Way for South Louisiana and IOLTA are temporarily restricted as to the expiration of time restrictions. All other unconditional promises to give are unrestricted.

**NOTE 4 – IN-KIND CONTRIBUTIONS**

In-kind contributions represent the estimated fair rental value of office space and general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial

# The Haven, Inc.

## Notes to Financial Statements As of and for the Year Ended June 30, 2003

### **NOTE 4 – IN-KIND CONTRIBUTIONS (Cont.)**

assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The following is a summary of in-kind contributions for the year ended June 30, 2003:

	Estimated Market Value
Client assistance	\$ 4,541
Shelter supplies	2,919
Office supplies	295
	<u>\$ 7,755</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

### **NOTE 5 – PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment is as follows:

	Balance July 1, 2002	Additions	Retirements	Balance June 30, 2003
Building	\$ 147,769	\$ 71,919	\$ (1,300)	\$ 218,388
Furniture, fixtures and equipment	50,154	18,780	(9,967)	58,967
	197,923	90,699	(11,267)	277,355
Less: accumulated depreciation	(45,297)	(12,625)	6,261	(51,661)
Total	<u>\$ 152,626</u>	<u>\$ 78,074</u>	<u>\$ (5,006)</u>	<u>\$ 225,694</u>

### **NOTE 6 – FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and unconditional promises to give. Management estimates that fair value of all financial instruments as of June 30, 2003, does not differ materially from the aggregate carrying values of its financial instruments recorded in the instruments recorded in the accompanying statements of financial position.

# **The Haven, Inc.**

## **Notes to Financial Statements As of and for the Year Ended June 30, 2003**

### **NOTE 7 – RESTRICTIONS ON NET ASSETS**

The restrictions on net assets as of June 30, 2003 relate to United Way for South Louisiana and IOLTA funding for the remainder of calendar year 2003.

### **NOTE 8 – NOTES PAYABLE**

Notes payable of the Organization consists of the following as of June 30, 2003:

Note payable dated September 14, 2001 to a bank with an interest rate of 6.5%, unsecured, payable in monthly installments of \$323, including interest, with a maturity date of September 14, 2006. \$ 24,349

Note payable dated August 9, 2002 to a bank with an interest rate of 7.0%, secured by real estate, payable in monthly installments of \$626, including interest, with a maturity date of August 9, 2007. 60,446

Less current maturities of long-term debt 84,795  
(5,735)

Long-term debt, less current maturities \$ 79,060

Maturities of long-term debt are as follows:

Year Ending June 30,	
2004	\$ 5,735
2005	6,138
2006	6,569
2007	21,004
2008	45,349
	<u>\$ 84,795</u>

### **NOTE 9 – CAPITAL LEASE PAYABLE**

Capital lease payable consists of the following:

Capital lease to a financing company dated June 11, 2003, with an interest rate of 14.25%, secured by office equipment, payable in 60 monthly installments of \$304, including interest. \$ 12,990

Less current maturities (1,884)

Capital lease payable, net of current maturities \$ 11,106

**The Haven, Inc.**

Notes to Financial Statements  
As of and for the Year Ended June 30, 2003

**NOTE 9 – CAPITAL LEASE PAYABLE (Cont.)**

Capital lease payable consists of the following:

Scheduled maturities are as follows:

Year Ending June 30,	
2004	\$ 1,884
2005	2,206
2006	2,541
2007	2,928
2008	3,431
	<u>\$ 12,990</u>

The property leased under this capital lease has a cost of \$12,990, accumulated depreciation of \$217, and a net book value of \$12,773 as of June 30, 2003.

**NOTE 10 – CORPORATE GRANTS**

During the year ended June 30, 2003, the Organization recognized grant revenue from the following corporate grants:

United Way for South Louisiana	\$ 56,000
IOLTA	<u>7,140</u>
Total corporate grants	<u>\$ 63,140</u>

**NOTE 11 – GOVERNMENT GRANTS**

During the year ended June 30, 2003, the Organization recognized grant revenue from the following governmental grantors:

State of Louisiana:

Office of the Governor/Office of Women's Services	\$ 161,099
LA Commission on Law Enforcement and Administration of Criminal Justice	84,528
Department of Health and Hospital/ Office of Public Health	<u>11,229</u>
Total government grants	<u>\$ 256,856</u>

## **SUPPLEMENTAL INFORMATION**



## **The Haven, Inc.**

### **Schedule of Findings and Questioned Costs As of and For the Year Ended June 30, 2003**

#### **Section I – Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of The Haven, Inc.
2. One reportable condition (see finding 03-01) was noted during the audit of the financial statements. This one reportable condition was not considered a material weakness.
3. No instances of noncompliance material to the financial statements of The Haven, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was issued.

#### **Section II – Financial Statement Findings**

No findings material to the financial statements of The Haven, Inc. were noted during the audit.

#### **Section III – Internal Control Findings**

##### 03-01

Statement of Condition: A reportable condition in the organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of The Haven, Inc.'s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of The Haven, Inc. and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.



**The Haven, Inc.**

**Schedule of Findings and Questioned Costs  
As of and For the Year Ended  
June 30, 2003**

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Response: The Management of The Haven, Inc. agrees with this finding.

Questioned Costs: \$ -0-

**Section IV – Federal Award Findings and Questioned Costs**

This section is not applicable.

## **The Haven, Inc.**

### **Schedule of Prior Findings and Resolution Matters As of and For the Year Ended June 30, 2003**

Note: All prior findings relate to the June 30, 2002 audit engagement.

#### **Section I – Internal Control and Compliance Material to the Financial Statements**

##### Inadequate Internal Control

Condition: A reportable condition in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. The Board will continue to perform the recommendation until it is financially feasible to employ additional staff.

#### **Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

#### **Section III – Management Letter**

##### Allocation of Expenses

Condition: The Organization is not utilizing the departmentalized statements of activities produced by its accounting program in the preparation of its grant reimbursement requests.

Recommendation: The departmentalized monthly statement of activities produced by the Organization's accounting software should be used in the preparation of grant reimbursement requests to facilitate the agreement of individual grant reimbursement requests to underlying accounting data.

Status: Unresolved.

##### Operating Budget

Condition: The operating budget is not being used as a management tool.

**The Haven, Inc.**

Schedule of Prior Findings and Resolution Matters  
As of and For the Year Ended  
June 30, 2003

**Recommendation:** An internal control procedure should be put into place that would require periodic comparisons of actual results to the budget to monitor the Organization's financial position.

**Status:** Ongoing. The recommendation will be implemented during the fiscal year ending June 30, 2004.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. (a nonprofit organization) as of and for the year ended June 30, 2003, and have issued our report thereon dated September 25, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether The Haven Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with *certain provisions of laws, regulations, contracts, and grants, noncompliance with which* could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered The Haven, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving *the internal control over financial reporting and its operation* that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect The Haven, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-01.

Board of Directors  
The Haven, Inc.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of The Haven, Inc. in a separate letter dated September 25, 2003.

This report is intended solely for the information of the Board of Directors, management, others within the organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Martin A. Pelf".

September 25, 2003

## **The Haven, Inc.**

### **Management's Corrective Action Plan for Current Year Findings As of and For the Year Ended June 30, 2003**

The contact person for all corrective actions noted below is Julie Pellegrin, Executive Director.

#### **SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

##### Inadequate Internal Control

Condition: A reportable condition in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

#### **SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

This section is not applicable.

#### **SECTION III – MANAGEMENT LETTER**

##### Operating Budget

Condition: The operating budget is not being used as a management tool.

Recommendation: An internal control procedure should be put into place that would require periodic comparisons of actual results to the budget to monitor the Organization's financial position.

Planned Action: The Organization will implement the recommendation as detailed above.

**The Haven, Inc.**

**Management's Corrective Action  
Plan for Current Year Findings  
As of and For the Year Ended  
June 30, 2003**

**Allocation of Expenses**

Condition: The Organization is not utilizing the departmentalized activity statements produced by its accounting program in the preparation of its grant reimbursement requests.

Recommendation: The departmentalized monthly statement of activities produced by the Organization's accounting software should be used in the preparation of grant reimbursement requests to facilitate the agreement of individual grant reimbursement requests to underlying accounting data.

Planned Action: The Organization will implement the recommendation as detailed above.



**The Haven, Inc.**

Management Letter

June 30, 2003

**Martin  
and  
Pellegrin**

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Houma, Louisiana 70360

*Certified Public Accountants  
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September 25, 2003

To the Board of Directors  
The Haven, Inc.  
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. as of and for the year ended June 30, 2003, and have issued our report thereon dated September 25, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements, dated September 25, 2003, and our report on internal control and compliance with laws, regulations, and contracts, dated September 25, 2003.

During the course of our examination, we became aware of the following matters which represent suggestions for improved internal controls.

Allocation of Expenses

During the testing of grant compliance, it was noted that the Organization's in-house departmentalized statements of activities were not in agreement with grant reimbursement requests. We recommend that the allocation of expenses to a specific grant entered in the accounting package be in agreement with the reimbursement requests for each grant. This would enable the departmentalized financial statements to be in agreement with the actual expenses for each individual grant.

Operating Budget

During the examination it was noted that the budget is not being used as a management tool. Periodic comparisons of actual results to the budget assist management in monitoring the Organization's financial position. We recommend that such comparisons be made at least quarterly.

Board of Directors  
The Haven, Inc.  
September 25, 2003  
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We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin and Pellegrin". The signature is written in a cursive, flowing style.

Martin and Pellegrin, CPAs (PC)